STATE OF MAINE PUBLIC UTILITIES COMMISSION

Docket No. 2002-432

May 1, 2003

YORK WATER DISTRICT
Proposed Tariff Revision Concerning
System Development Charges

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

We approve a System Development Charge (SDC) for the York Water District (District). This new charge will apply to all new customers, and existing customers who increase their meter size. The new charge does not apply to municipal or private fire protection service.

II. BACKGROUND

On July 25, 2002, the York Water District filed with the Commission certain rate schedules and other required documents pursuant to 35-A M.R.S.A. §§ 307 and 6107. The District filing contained a Schedule of System Development Charge consisting of Original Sheets 1 and 2 proposed to become effective October 25, 2002. The filing contemplates the imposition of an SDC on all new customers or existing customers who increase their demand for water as measured by an increase in the size or number of meters. The filing exempts all fire protection service from the SDC. The District, after several meetings with Commission Staff, filed a revised Schedule of System Development Charge on April 11, 2003. The revised schedule consists of Original Sheets 1 through 3.

III. DECISION

The filing allows the District to charge a SDC for new customers or customers who increase their meter size. The SDC for each meter size through 1½" has been determined as described in Exhibit 1 attached to this Order. The SDC for meters 2" and larger will be calculated, using the same method, based upon the District's estimate of the consumption at that location (this charge will be adjusted after 3 years of service, based upon the average usage during the 2nd and 3rd years).

In accordance with 35-A M.R.S.A. §6107(5), the District must report to the Commission its efforts at implementing water conservation programs before instituting a SDC. The District has undertaken the following efforts:

- 1. Instituted significant measures in recent years to reduce its unaccounted-forwater to below 15%.
- Routinely performs leak detection surveys of its distribution system and will budget for a leak detection survey every 10 years as part of its Capital Improvement Program. The efforts will continue to reduce the remaining unaccounted-for-water.
- 3. Will actively participate in the redraft of the York Town Ordinances. These efforts will ensure that water conservation will be given consideration for any new development projects in the Town of York.
- 4. Encourages water conservation through public education, newsletters and public notices.
- 5. Will propose in its rate case, to be filed in 2003, a special rate or charge for those customers having installed lawn and or garden sprinkler systems.

We find the method of calculating the System Development Charges and the charge to be just and reasonable and will approve them. We will also require that the District file, as an attachment to its Annual Report, an accounting and review of the charges, by meter size, collected during that year. Every two years from the date of this Order, the District will conduct a more comprehensive review of the the SDC to ensure that the charge is meeting the needs of the District and is correctly designed.

Accordingly, we

ORDER

- 1. That, beginning April 29, 2003, the York Water District is authorized to impose system development charges for new customers or customers who increase their meter size;
- 2. That the York Water District Schedule of System Development Charge, consisting of Sheets 1 through 3 all Original, filed on April 11, 2003, shall become effective on April 29, 2003;
- 3. That the York Water District shall file, as an attachment to its annual report, an accounting and review of the system development charges, by meter size, collected during that year; and

4. That the York Water District shall conduct, every two years, a comprehensive review of the system development charge to ensure that the charge is adequately meeting the needs of the District and is correctly designed. The charge shall be adjusted, at this time, for changes in construction costs.

Dated at Augusta, Maine, this 1st day of May, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl Administrative Director

COMMISSIONERS VOTING FOR: Welch

Nugent Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

- 1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
- 2. <u>Appeal of a final decision</u> of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
- 3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.